

BEFORE THE STATE AUDITOR
AND COMMISSIONER OF INSURANCE
HELENA, MONTANA

IN THE MATTER OF:)	CASE NO. 2001-19
)	
THE PROPOSED DISCIPLINARY)	NOTICE OF PROPOSED AGENCY
TREATMENT OF BJORNSON AND)	ACTION AND OPPORTUNITY FOR
SENTINEL - E & L,)	HEARING (LICENSE DISCIPLINE
)	AND ADMINISTRATIVE FINE)
Respondent.)	
)	
)	
)	

TO: Bjornson and Sentinel - E & L
P.O. Box 2827
112 North University Drive, Ste 101
Fargo, ND 58102

PLEASE TAKE NOTICE

Staff of the Insurance Division of the office of the State Auditor and Commissioner of Insurance of the state of Montana (Commissioner), pursuant to the authority of the Insurance Code of Montana, Section 33-1-101, et seq., Montana Code Annotated (1999) (MCA), is proposing to the Commissioner that he take disciplinary action against the entities named above for violations of the Montana Code. The Commissioner has authority to take such action under the provisions of Sections 33-1-317, 33-17-411, 33-17-1001, and 33-17-1002, MCA.

In particular, the staff is recommending action against the insurance producer's license of Bjornson and Sentinel - E & L and that appropriate fines be imposed on Bjornson and Sentinel - E & L.

1 Service of process is pursuant to section 33-1-314, MCA.

2 REASONS FOR ACTION

3 There is probable cause to believe that the following facts,
4 if true, justify and support such disciplinary treatment.

5 ALLEGATIONS

6 1. [REDACTED] a Montana licensed insurance producer,
7 sold Montana based [REDACTED] a policy with
8 American National Fire Insurance Company. [REDACTED] accessed
9 this market through Bjornson and Sentinel - E & L. Bjornson and
10 Sentinel - E & L issued a binder September 15, 1999, with
11 [REDACTED] listed on the Binder.

12 2. American National Fire Insurance Company accepted the
13 premium and application from [REDACTED]. They
14 assigned a policy number of IMP 9539680.

15 3. Bjornson and Sentinel - E & L is not licensed by the
16 Montana Department of Insurance.

17 4. Bjornson and Sentinel - E & L is not appointed by
18 American National Fire Insurance Company.

19 CONCLUSIONS

20 1. By failing to have an appointment, Bjornson and Sentinel
21 - E & L is in violation of section 33-17-236, Mont. Code Ann.

22 2. By failing to have a Montana producer's license,
23 Bjornson and Sentinel - E & L is in violation of section 33-17-
24 236, Mont. Code Ann.

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1 Should you request a hearing, you have the right to be
2 accompanied, represented, and advised by counsel. If the counsel
3 you choose has not been admitted to practice law in the state of
4 Montana, he or she must comply with the requirements of
5 Application of American Smelting and Refining Co., (1973), 164
6 Mont. 139, 520 P.2d 103.

7 CONTACT WITH INSURANCE COMMISSIONER'S OFFICE

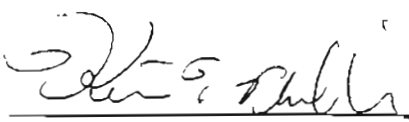
8 If you have questions or wish to discuss this matter, please
9 contact Kevin Phillips, legal counsel for the State Auditor, at
10 P.O. Box 4009, Helena, MT, 59604-4009, (406)444-3496 or, within
11 Montana, (800)332-6148. If you are represented by an attorney,
12 please make any contacts with this office through your attorney.

13 POSSIBILITY OF DEFAULT

14 Failure to give notice or to advise of your demand for a
15 hearing or form of informal procedure within fifteen (15) days,
16 will result in the entry of a default order imposing the
17 disciplinary sanctions against you and your license, all without
18 any more notice to you, pursuant to 6.2.101, Administrative Rules
19 of Montana and the Attorney General's Model Rule 10, 1.3.214.

20 DATED this 12th day of March, 2001.

21 JOHN MORRISON
22 State Auditor and
23 Commissioner of Insurance

24 By: 
25 Kevin F. Phillips
 Insurance Attorney

CERTIFICATE OF SERVICE

I hereby certify that I mailed a true and correct copy of the foregoing NOTICE OF PROPOSED AGENCY ACTION AND OPPORTUNITY FOR HEARING (LICENSE DISCIPLINE AND ADMINISTRATIVE FINE) to the following persons by depositing the same in the U.S. Mail, certified, return receipt requested, on this 12 day of MARCH, 2001.

TO: Bjornson and Sentinel - E & L
P.O. Box 2827
112 North University Drive, Ste 101
Fargo, ND 58102

Dale Sautter

State Auditor's Office

BEFORE THE STATE AUDITOR
AND COMMISSIONER OF INSURANCE
HELENA, MONTANA

IN THE MATTER OF:)	CASE NO. 2001-19
)	
THE PROPOSED DISCIPLINARY)	CONSENT AGREEMENT
TREATMENT OF BJORNSON AND)	
SENTINEL - E & L,)	
)	
Respondent.)	
)	
)	
)	

TO: Bjornson and Sentinel - E & L
c/o Lance Erickson
Erikson-Larson, Inc.
7100 Northland Circle
Brooklyn Park, MN 55428

I.

The Montana Insurance Commissioner (Commissioner), pursuant to the authority of the Insurance Code of Montana, Section 33-1-101, et seq., Montana Code Annotated (1999) (MCA), determines that there is probable cause to believe that the following allegations, if true, justify and support disciplinary treatment.

I.

The Allegations and Conclusions are contained in the administrative action.

II.

Bjornson and Sentinel - E & L stipulates and consents to the following:

A. To pay a fine of \$3000;

B. To submit a Montana insurance producer application to the Montana State Auditor within 15 days of signing this consent agreement;

C. To cease acting as an insurance producer until the Montana State Auditor issues an insurance producer license;

D. To waive the right to a hearing on the above-mentioned allegations and by entering into this consent Bjornson and Sentinel - E & L neither admits nor denies the substance of the allegations of the Commissioner but knowingly and with the understanding that if this matter were to have proceeded to hearing that it was likely that Bjornson and Sentinel - E & L would have been found liable for the commissioner's allegation;

E. That Bjornson and Sentinel - E & L states that it has read the foregoing Consent Agreement, that it knows and fully understands its contents and effect. Bjornson and Sentinel - E & L has been advised of: the right to be represented by legal counsel and if represented by legal counsel, acknowledges that its legal representation was satisfactory; its right to a hearing in this matter; the right to present evidence and arguments to the Commissioner; and the right to appeal from an adverse

1 determination after hearing. Bjornson and Sentinel - E & L
2 understands that by signing this Consent Agreement it waives
3 those rights mentioned above in this paragraph E in their
4 entirety;

5 F. Bjornson and Sentinel - E & L states that it understands
6 that the Consent Agreement is part of the file, which is a public
7 record. As a public record it may not be sealed. Also, Bjornson
8 and Sentinel - E & L understands that the State Auditor develops
9 press releases based on these Consent Agreements on a routine
10 basis and sends them to the news organizations in the state of
11 Montana; and

12 G. It is further understood that this Consent Agreement
13 constitutes the entire agreement between the parties, there being
14 no other promises or agreements, either express or implied.

15 III.

16 Pursuant to the stipulation and consent of Bjornson and
17 Sentinel - E & L, the Commissioner, under authority of the
18 Insurance Code of Montana and Section 2-4-603, MCA, hereby agrees
19 that if the terms and conditions of this Consent Agreement are
20 fully met, Bjornson and Sentinel - E & L will not initiate any
21 civil or administrative action against Bjornson and Sentinel - E
22 & L regarding the allegations contained therein pursuant to
23 Sections 33-1-317 and 33-17-1001, MCA. In consideration for the
24 Commissioner not initiating any civil or administrative action,

1 Bjornson and Sentinel - E & L fully and forever releases and
2 discharges the Office of the State Auditor, the elected State
3 Auditor and all State Auditor employees from any and all actions,
4 claims, causes of action, demands, or expenses for damages or
5 injuries, whether asserted or unasserted, known or unknown,
6 foreseen or unforeseen, arising out of the above entitled
7 administrative action.

8 DATED this 18th day of MAY, 2001.

9 RESPONDENT

10 Bjornson / Sentinel E & L

11 By: Paul H. Epsilon
12 Its: President

13 Subscribed and Sworn to before me this 18th day of
14 MAY, 2001.

15 Catharine L. Karp

16 Notary Public for the
17 State of MN

18 Residing at Blaine MN

19 My commission expires 1/31/05



25 JOHN MORRISON
State Auditor and
Commissioner of Insurance

By: Kevin Phillips
Kevin Phillips
Staff Attorney